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OFFICE OF CHIEF OF COUNSEL FOR WAR CRIMES

EVIDENCE DIVISION

Date : 22 July 1948

I certify that Document Number 3730-PS was introduced into evidence as Exhibit Number USA-648 in the Trial by the International Military Tribunal of Hermann GOERING, et al, which commenced on 20 November 1945, and that the attached photostat is a true and correct copy of the original.

Fred Niebergall

Fred NIEBERGALL
Chief, Document
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C E R T I F I C A T E

I hereby certify that the annexed document 3430-PS No. USA - 648 is a photostat of an original document submitted in evidence by the United States Prosecution under this number. The original document has been withdrawn in accordance with Rule 10 of the International Military Tribunal, and to the best of my knowledge and belief is to be held at the National Archives, Washington D.C. .

Paul Joosten

Nuremberg, 6 July 1948

PAUL A. JOOSTEN

General Secretary
International Military
Tribunal

Testimony of Herman Goering, taken at
Nurnberg, Germany, 17 October 1945,
1030-1215, by Lt.Col.M.I.Gurfein, OUSCC.
Also present: Captain Frank, Interpreter
and Miss Evelyn Low, Reporter.

Q. You realize that you are still under oath from the previous swearing?

A. I have refused previously to be sworn since I wish to see the script of the translations to see whether my answers have been correctly translated.

A. But you are willing to tell the whole truth?

A. Yes, I am.

Q. I wanted to ask you to-day about some of the economic history of the period. When was the armament program first discussed, that is, the rearmament program - what year?

A. Immediately in 1933

Q. In other words, Schacht had assumed the obligation at that time already to raise funds for the rearmament program?

A. Yes but of course in co-operation with the Minister of Finance.

Q. During the years 1933 to 1935, before general conscription came in naturally, the rearmament was a secret rearmament was it not?

A. Yes.

Q. So that any monies that were used outside of the budget would have to be raised by some secret means, not to be known to foreign nations?

A. Yes, unless they could be raised from normal army funds.

Q. That is to say, you had a small budget for the standing 100,000 man Army which was open and the rest of the rearmament had to be from secret sources?

A. Yes.

Q. In 1935 Hitler declared a general conscription and announced that you had taken over the creation of a Luftwaffe?

A. I announced on the 1st March 1935 the existence of a Luftwaffe.

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Q. From the time of the announcement of general conscription - it was publicly announced to the world then that Germany was rearming, is that correct?

A. Yes.

Q. After that public declaration, was all the armament financing done in an open and public manner or was some of it done secretly?

A. Certainly there was a secret budget.

Q. All the amounts that you needed for the rearmament program could naturally not be raised by taxes?

A. That is so.

Q. And therefore other financial means had to be devised to meet the requirements of the program?

A. Yes.

Q. Were you present at any conferences at which there was a discussion as to how this financing could be accomplished?

A. Yes.

Q. Who was present at these conferences?

A. Generally the then Minister of War - Blomberg, Schacht, Minister of Finance Schwerin von Krosigk, myself occasionally but not always and usually the Supreme Commanders of the services, i.e. Navy, Army, Air Force. Also the State Secretaries concerned and the State Secretary of the Reichs Chancellery but only from time to time.

Q. And this was, generally speaking, in 1935?

A. The conference which I recollect most accurately was - the date is difficult to recollect - late in 1934 or early 35 in Berchesgarten. Those present were Schacht, Krosigk?, Blomberg, Reichenau and myself. At that time the total rearmament program to its completion was estimated to cost 30 milliardmarks but the Fuhrer declined to inform Schacht of this figure to prevent him from fainting.

Q. You mean by that that the demands on the available financial resources would be so great as to stagger the imagination?

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A. Yes, the Fuhrer was afraid that if this whole figure were to be put before Schacht as a total Schacht might say that no possibilities to find this sum would exist whilst he, the Fuhrer, did visualize certain possibilities. But this sum was to cover the total program of rearmament up to its completion.

Q. As a matter of fact, up until the Anschluss for example, in 1938, how much had been expended for the total rearmament program?

A. That I cannot say.

Q. Was it approximately 30 milliards?

A. I cannot recollect any figures exactly. I only know approximate figures referring to the Luftwaffe which, as far as I remember were first 1.7 milliard, then 2.3, then 3.8 amounting to, I believe, 8 milliard marks per year. Generally speaking, the procedure was that I would expend, without referring to the sums allotted in the secret budget, such figures as I could place. For instance, if I could have more aircraft manufactured, build more air factories, or construct more aerodromes, than were planned within the budget, I would have this done wherever possible.

Q. Did Dr. Schacht make a proposal with respect to how the secret financing of armaments could be done outside the budget?

A. Yes.

Q. What was that as you remember it?

A. To start with, he insisted to raise as much as possible through taxation channels. Furthermore he suggested considerable economy measures in other ways and other fields and then he suggested increased control over all sources of finance. Furthermore, the famous mefo bills played an important part in the rearmament.

Q. Was it explained to you what this mefo financing would consist of, before it started?

A. No, not at the beginning but when I took over the Four Year Plan it was suggested to me that I should burn these mefo bills.

Q. Who made that suggestion?

A. I believe it was Funk.

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Q. For what reason?

A. I believe he said the stuff was without any value. As far as financial matters are concerned I am not particularly firm as I told you before.

Q. But in your capacity as head of the Luftwaffe at least and later certainly as the head of the Four Year Plan you must have had some idea as to the amounts that could be made available through these mefo financing?

A. No, as far as the Luftwaffe was concerned I was, as I told you before, not interested in the budget. I gave orders such as could be placed and overdrew the budget in several cases. I was not interested what finance Schacht could provide through mefo or any other channels.

Q. But when you came in as delegate for the Four Year Plan you had to take a broad view of what the German economy could produce without going to ruin?

A. Yes, at that stage I did take an interest in matters.

Q. Taking the later stage then, from 1936, did you have discussions with anybody concerning the amounts of mefo financing?

A. Regarding mefo bill financing - hardly. It was explained to me once but I cannot recollect. It did not play an important part at the end of 1936 when I took over. At that stage it was attempted to advance the financing by an extraordinary increase of exports and other matters; larger taxation was brought in. Short term and long term bills for instance.

Q. Do you recollect~~ing~~ being present at discussions concerning dangers of inflation?

A. Yes, there were several of those.

Q. Who made these proposals or suggestions that there was a danger of inflation unless something were done about the methods of financing.

A. ~~xxx~~ The fear that inflation might arise was that of Schacht and a representative of the Ministry of Finance. The leading question was whether the authority of the State would succeed in the successful fixing of prices and wages.

Q. /The alternative methods of financing that were then discussed as against an expansion of credit for example?

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A. Increased taxes. Measures were proposed to draw in cash, surplus monies and control of power of purchase - control and reduction.

Q. Was Schacht a party to these discussions concerning the alternative methods of financing, including the raising of taxes?

A. Yes, certainly, as long as he was President of the Reichsbank and Minister of Economics.

Q. Were these meetings already under your chairmanship as delegate for the Four Year Plan?

A. Yes. The preliminary discussions were between the Ministry of Finance and the Ministry of Economics and I was consulted and reports were made to me when final plans were ready and particularly when there where differences of opinion. Where taxes were concerned and particularly when a law had to be drafted the Party Chancellor was always included.

Q. In 1937 the last amount of mefo financing was arranged between Hitler and Schacht to the extent of 3 milliard of mefo bills. Were you familiar with that arrangement?

A. That must certainly have been communicated to me but I do not now recollect any details. Whenever such financial difficulties arose, for instance, Schacht was saying this could not be done and that Hitler interfered spontaneously and long discussions would follow at which I was not present but naturally the result was communicated to me in some form later on.

Q. In addition to his position as President of the Reichsbank from 1934 on, Schacht was also the Minister of Economics was he not?

A. Yes, that is correct.

Q. During the tenure of Schacht as Minister of Economics you were appointed to deal with raw materials and I believe later with the question of devisen is that correct?

A. Not during the whole period. A few months before the Four Year Plan I was Reichs Commissar for raw materials and foreign currency. But Schacht was the Financial Adviser of the Fuhrer ~~during~~ from the beginning, that is to say, the coming into power and before he took over the Reichsbank from Luthl & the Ministry of Economics from Schmidt.

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Q. The creation of your post as in charge of raw materials and later on devisen, was a preliminary to your appointment as Plenipotentiary for the Four Year Plan?

A. No, originally Schacht and Blomberg created the situation They both visited me and asked me whether I were prepared to take up this post. They then went to see the Fuhrer and put this proposal to him. This proposal was as surprising to me as it was to the Fuhrer. And then since I had already filled this particular post the Fuhrer appointed me as Plenipotentiary for the Four Year Plan.

Q. When it came to your appointment as delegate for the Four Year Plan, was that also with the knowledge or suggestion of Schacht?

A. That I cannot say for certain. The situation was as follows: I was called to Berchesgarten to see the Fuhrer who had before him a memorandum on the Four Year Plan, concerning the details which the Fuhrer visualized regarding the Four Year Plan. The Fuhrer read the entire memorandum to me and subsequently we went for a long walk, during which my appointment was put into effect. The necessary authorities were then made out and I do not believe that Schacht knew of this. You can imagine that I had strong personal objections at the beginning against taking over this new appointment since I was already over-burdened with work and since this subject was entirely new to me. But the Fuhrer said that he considered me the only suitable person for this post since he wanted somebody at the head who not only had authority derived from him but authority of his own towards the nation.

Q. At this time did you already have difficulties concerning the production of devisen for the importing of foodstuffs.

A. Well, difficulties to find the necessary foreign currency did exist at all times.

Q. I mean the contraversy between Darre and Schacht?

A. Of course these contraversies did always exist as they must between the leader of the Agricultural system and the leader of the industrial system. And since both parties had external requirements of foreign currency the contraversy was very pronounced but the difference between Schacht and Darre increased continuously during the subsequent years, and I know that Schacht's departure xxxxxxxxxxxxxx s Minister of Economics was the result of these difficulties.

Q. Did Schacht resign from the post or was he dismissed by the Fuhrer?

A. It was half and half.

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Q. But the position that Schacht took with respect to these devisen was that he required the devisen for raw materials for industry including the armament industry and that he could not give devisen for the purpose of supplying food for the German population. Was that right?

A. Yes, that was the position. Wherever we speak of industry he always referred to armament industry.

Q. How was that contraversy resolved?

A. Oh that! I had to give a clear and final decision in fact, directly by giving an order.

Q. And what was your order?

A. That was decided from case to case and in different ways. Various factors came into it. For instance, whenever Darre considered that the crop of the year was not up to the expectations and that the food situation was in danger I made a decision which would secure the necessary food and I have considered the accumulation of a considerable grain reserve as an essential part of the rearmament program.

Q. So that both parties to the contraversy, Darre and Schacht, were both interested in furthering the rearmament program but differed on the purpose for which devisen should be used, is that correct?

A. Yes, because they had received orders within their jurisdiction directly from the Fuhrer.

Q. But it seems to me that that was a contraversy that could have been resolved by your direction and that if Schacht left as a result of the contraversy it must have been because he could not get along personally with Darre?

A. Yes, this is partly correct. Yes, because Schacht was relieved of his responsibilities as soon as I made a decision and could say that his arguments did not penetrate. When I made the decision, saying for instance that Darre would get certain foreign currency values which I decided to allot to him against Schacht's proposals. But another factor for Schacht's departure was the fact that his relations to the Fuhrer, already considerably undermined at that time, decreased even further.

Q. Was that as a result of these conflicts with the Party over questions of devisen and the use of devisen?

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... the Party did not concern itself with questions relating to foreign currency. Schacht was not satisfied. He had quite a different view of the Four Year Plan. Schacht was the kind of strong personality who did not like it when his orders were countermanded or when he was given orders by somebody else to do things differently from the way he had planned them. He has often made sarcastic remarks and jokes about the fact that he had now to take direct orders. He always opposed things, not because of the subject matter but because out of his personality situations arose where he always said "I will not take orders".

Q. Some people say that Schacht was always hoping that he would ultimately still be able to take over the powers that you had as delegate for the Four Year Plan and still become the economic dictator of Germany?

A. Whether or not he said that I do not know but it would have been utterly out of the question since he never possessed the necessary authority. The Plenipotentiary for the Four Year plan did frequently not only have to concern himself with economic matters but interfered to a large degree with the administration of the State.

Q. What I mean is this -

A. Schacht could never have done this.

Q. - I was not talking of administrative control but rather of Schacht's hoping that he could still obtain more power than he had.

A. He has certainly had such plans before the Four Year Plan when I was Commissar for raw materials and foreign currency. I wish to emphasise once more that in a way Schacht visualized things so that I would concern myself neither w th raw materials or with foreign currencies but that I should form a sort of shield for him against the Party and cover his actions.

Q. But it did not work out that way?

A. No.

Q. At the same time that Schacht was Minister of Economics he was also the General Plenipotentiary for the War Economy was he not?

A. This is not correct. The title Plenipotentiary for War Economy was a title which arose on mobilisation. It only came into force at the outbreak of war.

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Q. But you remember that in 1938 Schacht was appointed to that position to you not?

A. Yes. In the event of war.

Q. And as such he was on a level with the Minister of War in connection with making the preparation for the event of war?

A. Yes, that is so. But the powers only came into force in the event of mobilisation.

Q. Naturally, but it was part of his function to prepare?

A. Yes, that is correct.

Q. You had some jurisdictional differences with him in connection with that position I believe and I want to show you an agreement of the 7th July 1937 and ask you first to read it. Do you recognise that copy?

A. I can give you exact explanations. It was naturally my own opinion that the Plenipotentiary for War Economy would be abolished through the nomination of myself for the Four Year Plan. Schacht opposed this conception very forcibly. It was his argument that I, as Supreme Commander of the Air Force, would be tied down for military reasons to much too large a degree in the case of war. This conception I logically had to agree to. And consequently this contract was made. But I want to draw your attention to one thing - the last sentence. Apart from this, the fact that the Plenipotentiary for War Economy has a position of supreme Reichs authority can in no way be doubted. This sentence was inserted on my request. This means that I could give him instructions at all times since the authority of the Plenipotentiary for the Four Year Plan stated that I could give orders at any time.

Q. But it also was a face-saving device?

A. It gave me a possibility to give orders to the Plenipotentiary in spite of this agreement. Schacht, however, in the event of war desired to cancel the Four Year Plan by means of this agreement so as to take the situation in hand himself. Thus this safety sentence, this last sentence, was added.

Q. But on the face of it it looks as if it established a high position for Dr. Schacht and certainly prevented the abolition of his office.

A. No. The position of Plenipotentiary for War Economy meant an improvement of his position as Reichs Minister of Economy.

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Q. So that it is clear, is it not, that as late as 7 July 1937 against your attempt to abolish Schacht's position as Plenipotentiary for the War Economy he was opposing any such step and in fact was urging that he be given broader powers in the event of war?

A. Yes, that is correct. I wanted this position abolished - in the event of war and yet he succeeded in retaining his position.

Q. Shortly after -

A. This I must underline. Schacht always tried to slide out and up and achieve yet a new position whilst all other Ministers co-operated absolutely.

Q. Shortly after this, before we leave this agreement which you have just identified, Mister Goering, I wanted to ask you, there is a reference in it I believe to a decision of Hitler with respect to this jurisdictional controversy?

A. The Führer sent for us both and explained how he visualized this matter should be handled. He then put a proposal to us - Schacht was anxious to take something hasty in writing - regarding how such an agreement should be drafted.

Q. In this conversation that you had together with Dr. Schacht in the presence of Hitler, did Dr. Schacht make the proposal that he was anxious to continue his powers as economic dictator in the event of war?

A. Yes, he even suggested that he should carry out his activities independently from me. He gave as reasons that he could not otherwise carry out his task and said that in the event of war I would obviously be continuously absent, i.e. at my headquarters in the field, etc. Practically speaking, to say it in one sentence, I should like to say that what Schacht wanted was that in the event of war the Four Year Plan should be abolished.

Q. Shortly after this agreement that was decided upon by Hitler with respect to your jurisdiction in case of war, you began to have further disputes with Dr. Schacht concerning economic matters, did you not?

A. Yes.

Q. Let me show you a copy in English?

A. Just a moment - the Führer did not lay down details in this connection. This agreement is on extremely vague lines.

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Q. Coming to this period shortly thereafter when you say you had difficulties with Schacht, I should like to show you an English copy of a letter dated 6 August 1937 by Schacht to you and will ask the captain to be good enough to translate it into German - Perhaps you can read it in English?

A. Yes.

Q. Can you understand this?

A. Yes.

Q. This is dated about a month later - roughly seven weeks. What was the background for this letter of Dr. Schacht's?

A. Sore row between the departments.

Q. And you had apparently written a letter previously to Schacht, to which he took exception, is that correct?

A. Yes, certainly, either myself or my immediate subordinate - I have avoided whenever possible to write myself - but it is quite possible that I myself wrote in this case.

Q. Do you know what was meant by the phrase "fundamental differences e ist in our economic policies"?

A. He was absolutely - how shall I say it - the basic principle was that I was interfering too authoritatively with economic matters and I had frequent conferences with the leaders of the economic system which were against the feelings of Schacht's personality. Furthermore, Schacht sent me situation reports in such cases which were not strictly in keeping with the facts. For instance, I received situation reports according to which no further import possibilities would exist after , say, six weeks or two months, and I must say some such nonsense. He would paint the situation in such extreme and black colours so as to scare me off personally.

Q. Did you feel there as always an implication that if Schacht were permitted to do it himself that he felt he could do it better?

A. Yes, that he has always told me, though indirectly.

Q. You recall that Schacht left the Reichsbank in January 1939. Do you remember the circumstances of that?

A. Yes. The circumstances in this connection were, I must say, ridiculous. The Minister of Finance, as it is often the case, demanded an advance at the end of the month as had been the case, and quite suddenly and without notice this advance was refused. He told the Minister of Finance to declare the Reich bankrupt. The Minister of Finance put the matter right on his own negotiation but thus proved to the Fuhrer that Schacht was being obstructive.

Q. But the discussions about Reichsbank financing with respect to the question of inflation, do you know anything about those?

A. Yes, the question of inflation arose during all conferences, and suggestions were always made regarding measures to prevent the actual arrival of an inflation. Opinions differed on these occasions. Someone, I cannot remember who it was would say that we were practically in the middle of an inflation now and someone else would say that this was not so and could be avoided.

Q. I want to ask you this specifically. Was Schacht dismissed from the Reichsbank by Hitler for refusing to participate any further in the rearmament program?

A. No, because of his utterly impossible attitude in this matter, regarding this advance which had no connection with the rearmament program.

Q. Keppler says that as early as 1936 you were trying to get rid of Schacht by talking to the Fuhrer about him, is that correct?

A. No, it was much later.

Q. And when it was later, it was about these personality difficulties that you have discussed here this morning?

A. Yes. I always saw that he made considerable difficulties for my staff when they were working on economic subjects outside. I don't recall.

Q. I want to ask you whether this statement is true. Schacht in effect has said that he resigned as Minister of Economics because he could not agree with Goering or Goering's war policy and that he wanted to prevent the over-loading of industry for the preparation for war?

A. Oh! But that is absolute nonsense - he would never have said it then. If he had said this as a reason for his renunciation he would not have remained a member// of the Reichs Cabinet nor the Chief of the Reichsbank.

Q. I don't say that he said it at the time, I said that he says it now. Is it true?

A. Of course what he says now, that I don't know. But I do not want to deny in this connection that I myself have pursued a very strong economic policy for the purpose of rearmament. That is the actual reason for the Four Year Plan. But if he does say this now he has certainly hidden it very successfully then.

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Q. In general terms, Schacht was never opposed, as far as you were concerned, with the rearmament program or the extent of it?

A. No, he certainly did not oppose it generally but he had different opinions regarding the methods to be employed. Obviously it would have been quite out of the question that Hitler advanced and honoured Schacht the way he did - making him Minister of Economics and President of the Reichsbank, etc. - if Schacht had been opposed to the rearmament program. But he was of the opinion - as I said before - that sums such as the Fuhrer visualized were impossible. That is correct.

Q. To come back to another thing, about which you have probably been asked before - you recall there was a meeting at your house on the 5th January 1933?, at which were present Thyssen, Schacht and Hitler?

A. Yes, that is certain; that happened quite frequently.

Q. And Hitler explained his plans at those meetings, did he not?

A. Yes, on general lines, on basic lines.

Q. And did he also discuss his foreign policy objectives at those meetings?

A. Not as concretely as he formulated them later on in the Government, more general.

Q. Did he in general lay down again the principles that he had enunciated in Mein Kampf at those meetings?

A. Never. That I don't know but I do know that he talked about the political situation in Germany. He spoke much more about interior policy than foreign policy, the inner political situation was in the foreground at the time.

Q. Did he speak of some of his foreign objectives in the east, for example, like the Anschluss?

A. No, I wish to emphasise once more that the interior political situation was so preponderantly in the foreground at the time that external policy did not come up. Apart from this, the Anschluss was such a leading political point to our program that it was unnecessary to discuss it. The principal question discussed at the time was the Communist danger, economically we were at rock bottom and if we did not take over power things would be disastrous, the unemployment problems were also discussed.

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Q. I want to ask you this last thing in connection with the Anschluss, when it actually happened in 1938 were preparations made for the conversion of the Austrian currency into the German currency?

A. This was done after the Anschluss because the problems of the Anschluss were concentrated suddenly in four or five days and discussions on currency or military questions were out of the question. The exchange question, as I remember exactly, was discussed after the Anschluss and Hitler gave the order to fix the rate on as favourable a basis as possible for the Austrians. There were certain objections that the German currency situation would be considerably affected by such a favourable arrangement but I decided that the rate of 1 to 2 would be within the Fuhrer's orders.

Q. Was Dr. Schacht present at those meetings, as to what rate should be fixed?

A. Yes, because as President of the Reichsbank he would be very responsible.

Q. And thereafter, was it Schacht who executed the program for the conversation of schillings into marks.

A. Yes, this was the Reichsbank.

(Thereupon at 1215, 17 October 1945, the hearing was adjourned)

APPROVED:

INTERROGATOR: _____

INTERPRETER: _____

STENOTYPIST: _____

H3235 - 0018

I certify that the above is a true, correct and complete copy of the original transcript of the interrogation of HERMANN GOERING, taken at Nuremberg, Germany, 17 October 1945.

Sam Harris

SAM HARRIS
Captain, JAGD

9 January 1946

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J: HERMANN GOERING, 17 OCT. 1945

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15. Pages